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C O N F I D E N T I A L BUENOS AIRES 000713

SIPDIS

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TAGS: PGOV ETTC PREL ETRD CU AR

SUBJECT: (C) ARGENTINA REVIEW FOR SUSPENSION OF TITLE III
OF THE LIBERTAD ACT

REF: A. SECSTATE 52541

1B. 07 BUENOS AIRES 2124

1C. 06 BUENOS AIRES 2698

Classified By: Ambassador E.A.Wayne, Reasons 1.5 (b and d).

11. (U) Embassy Buenos Aires keys the responses below to
reftel A questions.

12. (SBU) NATURE OF INVESTMENTS THAT ARGENTINA BUSINESSES HAVE
IN CUBA. The GoA imposes no requirement to register foreign
direct investment, and the Embassy has been unable to uncover
any major investment by Argentine nationals or Argentine
public corporations in Cuba. In a May 23 phone conversation
with EconOff, Gustavo Infante, Counselor for Northern
Hemisphere Economic Affairs (roughly office director
equivalent) in the Ministry of Foreign Affairs (MFA), said
that he was unaware of any significant Argentine investment
in Cuba. Trade volumes are small: according to the Global
Trade Information Service (gtis.com), two-way Argentine-Cuban
trade in 2007 totaled \$103.7 million, well under one percent
of Argentina's global two-way trade of \$100.5 billion, up 5%
from total 2006 bilateral trade levels of \$98.4 million.
Argentine exports to Cuba in 2007 rose 5% to \$100.6 million,
about two-thirds of which were foodstuffs, while Argentine
imports from Cuba increased 15% to \$3.0 million, just over
half of which were cigars. Infante noted that one topic
which is still not resolved in the bilateral relationship is
the debt owed by the GoC to the GoA, amounting to about \$2
billion. Because of that debt, according to Infante,
Argentine banks -- public and private -- will not provide
unsecured trade finance facilities to the GoC.

13. (SBU) BILATERAL TRADE AGREEMENTS BETWEEN ARGENTINA AND
CUBA. The governments of Argentina and Cuba have a regional
preferential trade agreement through MERCOSUR, signed at the
MERCOSUR summit in Cordoba, Argentina, in July 2006.
MERCOSUR reports note that this agreement consolidated prior
bilateral trade agreements that MERCOSUR member nations had
earlier signed with Cuba under ALADI auspices. Separately,
World Bank reports note that Argentina signed a preferential
trade agreement with Cuba in 1984. The Argentine Foreign
Ministry reports that a bilateral Argentina-Cuba agreement
designed to facilitate trade finance via the establishment of
Cuban escrow accounts, which was signed in August 2004, but
has never taken effect. The two countries also have a
Bilateral Investment Treaty, ratified in 1997.

14. (C) EXCHANGE PROGRAMS BETWEEN ARGENTINA AND CUBA. Since
2005, the GOC sponsors a literacy program called "Yes, I Can"
in Argentina. According to the Cuban Embassy website, the
program taught reading skills to 3,256 Argentines from 48

cities in Santa Fe province. Some Argentine citizens have also reportedly benefited from "Operation Miracle," a joint GOC-Government of Venezuela initiative that provides free eye operations to low income people. The General Workers Confederation (CGT), the main Argentine union confederation, actively participates in both programs. The website also reported that the GOC has sponsored a group of 60 Argentine students to study at its Latin American School of Medicine, from which 160 Argentines have already graduated. It also reported that 900 Argentines are currently studying in Cuba at the ELAM, the International School of Physical Education and Sports, and other universities. In 2007, 76 Argentines graduated from Cuban universities, obtaining degrees in nursing, mechanical engineering and economics. We are unaware of any other exchange programs between Argentina and Cuba.

¶15. (C) PROMOTING THE ADVANCEMENT OF DEMOCRACY AND HUMAN RIGHTS IN CUBA. Per reftels, the GoA continues to pursue a policy of "constructive engagement" toward Cuba on democracy and human rights issues. In general, the GoA's position is that engagement -- however limited -- is the best way to promote reform in Cuba. In 2007, Argentina voted for the annual UN resolution condemning the U.S. embargo on Cuba (ref B). Still, Argentina has at least twice raised the issue of human rights with the Cuban government in the context of the Dr. Hilda Molina case (see Ref C for more details). On May 21, local press reported that the GOC had granted neurosurgeon Hilda Molina's 89-year-old mother a passport, which she had been seeking for travel to Argentina to visit her grandson and great-grandchildren. There is no word yet on whether an exit visa has been granted, and the GOC is

still denying Hilda Molina the passport which she has been seeking since 1994 to travel to Argentina to visit her son and his family. Foreign Ministry officials have cited to us the disagreement over treatment of Dr. Molina as a particular sore point in Argentina-Cuba relations.

¶16. (C) HIGH-LEVEL DIPLOMATIC VISITS BETWEEN CUBA AND ARGENTINA IN PAST SIX MONTHS. In late November 2007, Graciela Ocaa visited Cuba in her capacity as head of Argentina's Social Security for Retirees and Pensioners to attend the Fourth International Forum on Society's Challenges in Confronting Corruption. (Note: She is now Argentina's Minister of Health.) In addition, National Deputy Miguel Bonasso of the leftist Buenos Aires Dialogue Party attended Raul Castro's inauguration ceremony in a non-official capacity in February 2008. He reportedly travels to Cuba frequently. There have been no other high-level visits between the two countries in the past six months.

WAYNE